



Fachbereich VWL / Department of Economics

# EconNewsletter

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NOVEMBER 28 – DEZEMBER 2, 2022

NEWSLETTER 2022-24

## SEMINAR CALENDAR

### Quantitative Economics

[Lena Dräger, Universität Hannover:](#)

Tuesday November 29

*How to Limit the Spillover from the 2021 Inflation Surge to Inflation Expectations?*

This seminar will only be live streamed. For participation via Zoom please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJYvc-itqzgpHNvHBUWXWPX6bv3WwEHioDq5>

### Hamburg Lectures in Law and Economics

[Tim Krieger, Albert-Ludwigs-Universität Freiburg:](#)

Wednesday November 30

*Religiosity and warfare: Towards causal evidence via pre-Enlightenment solar eclipses*

18:15–19:45

R. 110 (Johnsallee 35)

This seminar is held in a hybrid format. To register for **Online participation** via Zoom please click the following link and fill in the necessary information: <https://ile-hamburg.us5.list-manage.com/track/click?u=a3a598540658d2c2aadfae5b6&id=813293feb1&e=3446e273d6> or send an email to [yasmin.seyrafian@ile-hamburg.de](mailto:yasmin.seyrafian@ile-hamburg.de). You will then receive an Email with the access link prior to the lecture.

### PhD Seminar

[Aisada Most, Hamburg University:](#)

Thursday December 1

*COVID-19 and Public Support for the Euro*

12:15–13:15

R. 0079 (VMP 5)

### Microeconomics Seminar & Interdisciplinary Research Seminar

[Paolo Piacquadio, University of St. Gallen:](#)

Thursday December 1

*Intergenerational Population Ethics*

17:15–18:45

R. 0079 (VMP 5)

This seminar will also be live streamed. For participation via Zoom please register via the following link: <https://www.wiso.uni-hamburg.de/en/forschung/verbundprojekte/rtg-collective-decision-making/events/register-for-irs-talk.html>

## ABSTRACTS

### **Quantitative Economics**

Lena Dräger, Universität Hannover:

*How to Limit the Spillover from the 2021 Inflation Surge to Inflation Expectations?*

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*Abstract:*

By providing numerical inflation projections. Many central banks currently face inflation well above their targets and with that the challenge to prevent spillovers on inflation expectations. We study the effect of different communication about the 2021 inflation surge on German consumers' inflation expectations using a randomized control trial. We show that information about rising inflation increases short- and long-term inflation expectations. This initial increase in expectations can be mitigated using information about inflation projections, where numerical information about professional forecasters' projections seems to reduce inflation expectations by more than policymaker's characterization of inflation as a temporary phenomenon.

### **Hamburg Lectures in Law and Economics**

Tim Krieger, Albert-Ludwigs-Universität Freiburg:

*Religiosity and warfare: Towards causal evidence via pre-Enlightenment solar eclipses*

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*Abstract:*

Can the salience of religious beliefs, and specifically beliefs in the supernatural, affect a society's propensity to go to war? Plagued with endogeneity concerns, this question has concerned historians, political scientists, religious scholars, anthropologists, and sociologists for centuries. This project's first contribution consists in deriving a consistent and comparable measure of religiosity from the year 1500 onwards. To do so, we apply a linguistic dictionary of religiosity words and stems in the English language to Google Ngram. This allows us to determine the annual frequency of religious terminology used in books since 1500. We also translate that dictionary to French, German, Italian, and Spanish (the languages featuring substantial numbers of books captured by Google Ngram) to derive the same measure in these languages.

We then correlate that linguistic proxy of religiosity with subsequent attack war onset and attack war incidence in a comprehensive dyad-level database (derived from Brecke, 1999) that connects the five main states of these languages with every state they warred with at least once from 1500 to 1714 (beginning of the Enlightenment). The corresponding estimates are not statistically significant at conventional levels – an artefact potentially owed to substantial endogeneity concerns pertaining to measurement error/attenuation bias (the frequency of religious language may not adequately capture religiosity) and omitted variables (e.g., income levels, education).

To alleviate these concerns, we introduce a plausibly exogenous driver of religiosity that is neither related to preceding wars, the economy, political factors, nor any other anthropoid characteristics: solar eclipses visible in the respective state capitals. Instrumental variable regression results suggest the likelihood of attack war onset and incidence rose significantly when religious language was more frequently used in books. Similarly, reduced form estimates show the chances of attack war onset and incidence increased significantly in the year after a state's capital experienced a solar eclipse. Results prevail, and remain largely unaffected in magnitude, when accounting for dyad- and year-fixed effects, as well as state-specific time trends. While results need to be interpreted carefully (i.e., considering the Local Average Treatment Effect of solar eclipses), these estimates provide some of the first plausibly causal estimates of religiosity's effect on interstate warfare, at least to our knowledge.

### **PhD Seminar**

Aisada Most, Hamburg University:

*COVID-19 and Public Support for the Euro*

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#### *Abstract:*

The COVID-19 pandemic had disastrous effects on health and economic activity worldwide, including in the Euro Area. The application of mandatory lockdowns contributed to a sharp fall in production and a rise in unemployment, inducing an expansionary fiscal and monetary response. Using a uniquely large macro database, we examine the effects of the pandemic and the ensuing economic policies on the public support for the euro as measured by the Eurobarometer survey. We find that in a majority of the 19 Euro Area member states public support for the euro, the common currency, reached historical high levels in the midst of the pandemic. Our finding suggests that the expansionary fiscal policies at the EU level significantly contributed to this outcome while the monetary measures of the ECB did not have a similar effect.

### **Microeconomics Seminar & Interdisciplinary Research Seminar**

Paolo Piacquadio, University of St. Gallen:

*Intergenerational Population Ethics*

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#### *Abstract:*

In less than half a century, the world's human population has doubled in size to the current 8 billion. Yet, despite the importance of population change for growth, resource scarcity, and climate change, there is no "reasonable" welfare criterion to assess alternatives with different number of individuals. We reexamine the evaluation of intergenerational allocations with endogenous population dynamics. Our proposal identifies a new balance between the well-being and the size of generations, obtained by respecting the fertility preferences of parents. The axiomatic characterization singles out a simple and intuitive family of recursive welfare criteria, which generalize discounted utilitarianism and avoid the most controversial implications of existing criteria.

*The next EconNewsletter will be published on Monday, December 5, 2022.*

*Editorial deadline: **Friday, December 2, 2022.***

**EconNewsletter**

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